

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

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In the Matter of:)
)
TRIJICON, INC.)
49385 Shafer Avenue)
Wixom, Michigan 48393,)
)
)

Resoondent)

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified Trijicon, Inc. of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act),¹ and the Export Administration Regulations (15 C.F.R. Parts 730-774 (2000)) (the Regulations),² based on allegations that, on three separate

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

² The alleged violations occurred in 1994, 1995 and 1998. The Regulations governing the violations at issue are found in the 1994, 1995 and 1998 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995)) (hereinafter the former Regulations) and 15 C.F.R. Parts 730-774 (1998)). On March 25, 1996 the then-existing Regulations were redesignated, but not republished, as 15 C.F.R. Parts 768A-799A (61 Fed. Reg. 12714, March 25, 1996). In addition, the March 25,

occasions between on or about October 14, 1994 and on or about January 5, 1995, Trijicon, Inc. exported from the United States to South Africa, U.S.-origin optical sighting devices for firearms without the validated licenses that Trijicon, Inc. knew or had reason to know were required by Section 772.1(b) of the former Regulations, in violation of Sections 787.4(a) and 787.6 of the former Regulations, and on or about September 3, 1998, Trijicon, Inc. exported a U.S.-origin optical sighting device for firearms from the United States to Argentina, without the export license that it knew or had reason to know was required by Section 742.7(a)(1) of the Regulations, in violation of Sections 764.2(a) and 764.2(e) of the Regulations, for a total of **eight** violations of the Regulations;

BXA and Trijicon, Inc. having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby BXA and Trijicon, Inc. have agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by

1996 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

me;

IT IS THEREFORE ORDERED,

FIRST, that a civil penalty of \$64,000 is assessed against Trijicon, Inc., \$44,500 of which shall be paid to the U.S. Department of Commerce within 30 days of the date of this Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$19,500 shall be suspended for a period of one year from the date of entry of this Order and shall thereafter be waived, provided that, during the period of suspension, Trijicon, Inc. has committed no violation of the Act, or any regulation, order, or license issued thereunder.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Trijicon, Inc. will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

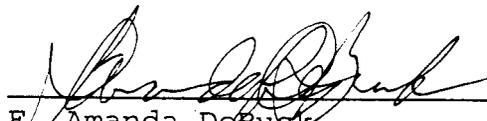
THIRD, that, as authorized by Section 11(d) of the Act, the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or

privilege granted, or to be granted, to Trijicon, Inc.

Accordingly, if Trijicon, Inc. should fail to pay the civil penalty in a timely manner, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Trijicon, Inc.'s export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public.

This Order is effective immediately.



F. Amanda DeBusk
Assistant Secretary
for Export Enforcement

Entered this 29th day of September, 2000.

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
TRIJICON, INC.)
49385 Shafer Avenue)
Wixom, Michigan 48393,)
)

Respondent _____)

SETTLEMENT AGREEMENT

This Agreement is made by and between Trijicon, Inc. and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act).²

¹ The alleged violations occurred in 1994, 1995 and 1998. The Regulations governing the violations at issue are found in the 1994, 1995 and 1998 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995)) (hereinafter the former Regulations) and 15 C.F.R. Parts 730-774 (1998)). On March 25, 1996 the then-existing Regulations were redesignated, but not republished, as 15 C.F.R. Parts 768A-799A (61 Fed. Reg. 12714, March 25, 1996). In addition, the March 25, 1996 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified Trijicon, Inc. of its intention to initiate an administrative proceeding against it pursuant to the Act and the Regulations, based on allegations that, on three separate occasions between on or about October 14, 1994 and on or about January 5, 1995, Trijicon, Inc. exported, from the United States to South Africa, U.S.-origin optical sighting devices for firearms without the validated licenses that Trijicon, Inc. knew or had reason to know were required by Section 772.1(b) of the former Regulations, in violation of Sections 787.4(a) and 787.6 of the former Regulations, and on or about September 3, 1998, Trijicon exported a U.S.-origin optical sighting device for firearms from the United States to Argentina, without the export license that it knew or had reason to know was required by Section 742.7(a)(1) of the Regulations, in violation of Sections 764.2(a) and 764.2(e) of the Regulations, for a total of eight violations of the Regulations; and

WHEREAS, Trijicon, Inc. has reviewed the proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; it fully understands the terms of this Settlement Agreement and the proposed Order; it enters

the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

into this Settlement Agreement voluntarily and with full knowledge of its rights, and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Trijicon, Inc. neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Trijicon, Inc. and BXA wish to settle and dispose of all matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Trijicon, Inc. agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

NOW THEREFORE, Trijicon, Inc. and BXA agree as follows:

1. BXA has jurisdiction over Trijicon, Inc., under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.

2. BXA and Trijicon, Inc. agree that the following sanction shall be imposed against Trijicon, Inc. in complete settlement of all alleged violations of the Act, the former Regulations and the Regulations arising out of the transactions set forth in the proposed Charging Letter:

- a. Trijicon, Inc. shall be assessed a civil penalty of \$64,000, \$44,500 of which shall be paid to the U.S. Department of Commerce within 30 days of the date of

entry of an appropriate Order. Payment of the remaining \$19,500 shall be suspended for a period of one year from the date of entry of the appropriate Order and shall thereafter be waived, provided that, during the period of suspension, Trijicon, Inc. has committed no violation of the Act, or any regulation, order, or license issued thereunder.

- b. As authorized by Section 11(d) of the Act, the timely payment of the civil penalty agreed to in paragraph 2a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Trijicon, Inc. Failure to make timely payment of the civil penalty shall result in the denial of all of Trijicon, Inc.'s export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Trijicon, Inc. agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right: (a) to an

administrative hearing regarding the allegations in the proposed Charging Letter; (b) to request a refund of the civil penalty imposed pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order; it will not initiate any administrative proceeding against Trijicon, Inc. in connection with any violation of the Act, the former Regulations or the Regulations arising out of the transactions identified in the proposed Charging Letter.

5. Trijicon, Inc. understands that BXA will make the proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

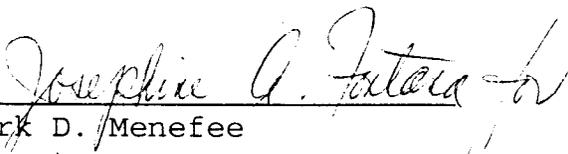
6. BXA and Trijicon, Inc. agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Trijicon, Inc. agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that neither party shall be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

a. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and Order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE

TRIJICON, INC.



Mark D. Menefee
Director
Office of Export Enforcement



Stephen G. Bindon
President

Date: 9/2/00

Date: 9-6-00



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Trijicon, Inc.
49385 Shafer Avenue
Wixom, Michigan 48393

Attention: Stephen G. Bindon
President

Dear Mr. Bindon:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, Trijicon, Inc. (hereinafter referred to as Trijicon) has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act).²

Facts constituting violations:

Charges 1-6

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on three separate occasions between on or about October 14, 1994 and on or about January 5, 1995, Trijicon exported, from the United States to South Africa, U.S.-origin optical sighting devices for firearms without the validated licenses that Trijicon knew or had reason to know were required by Section 772.1(b) of the former Regulations. BXA

¹ The alleged violations occurred in 1994, 1995 and 1998. The Regulations governing the violations at issue are found in the 1994, 1995 and 1998 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995)) (hereinafter the former Regulations) and 15 C.F.R. Parts 730-774 (1998)). On March 25, 1996 the then-existing Regulations were redesignated, but not republished, as 15 C.F.R. Parts 768A-799A (61 Fed. Reg. 12714, March 25, 1996). In addition, the March 25, 1996 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & supp. 2000)).



alleges that, by exporting U.S.-origin commodities to any person or destination in violation of or contrary to the provisions of the Act, or any regulation, order or license issued thereunder, Trijicon committed three violations of Section 787.6 of the former Regulations. BXA also alleges that, by selling, transferring, or forwarding commodities exported or to be exported from the United States with knowledge or reason to know that a violation of the Act, or any regulation, order or license issued thereunder occurred, was about to occur, or was intended to occur with respect to the shipments, Trijicon committed three violations of Section 787.4(a) of the former Regulations.

Charges 7-8

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on or about September 3, 1998, Trijicon exported a U.S.-origin optical sighting device for firearms from the United States to Argentina without the export license that it knew or had reason to know was required by Section 742.7(a)(1) of the Regulations. BXA alleges that, by engaging in conduct prohibited by or contrary to the Act, the Regulations, or any order or license issued thereunder, Trijicon committed one violation of Section 764.2(a) of the Regulations. BXA also alleges that, by selling, transferring, or forwarding commodities exported or to be exported from the United States with knowledge or reason to know that a violation of the Act, or any regulation, order or license issued thereunder occurred, was about to occur, or was intended to occur with respect to the shipment, Trijicon committed one violation of Section 764.2(e) of the Regulations.

BXA alleges that Trijicon committed three violations each of Section 787.4(a) and Section 787.6 of the former Regulations; and one violation each of Section 742.2(a) and Section 764.2 (e) of the Regulations, for a total of eight violations.

Accordingly, Trijicon is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

- a. The maximum civil penalty of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);³
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see Section 764.3(a)(3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

³ The maximum civil penalty for any violation committed after October 23, 1996 is \$11,000 per violation. See 15 C.F.R. § 6.4(a)(3) (2000).

If Trijicon fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7. Trijicon is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a settlement.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, Trijicon's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Trijicon's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Lairold M. Street, Esq." below the address. Mr. Street may be contacted by telephone at (202) 482-53 11.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Enclosures

SCHEDULE OF VIOLATIONS

TRIJICON, LTD.

CHARGE NUMBER	DATE (on or about)	COMMODITIES	AIR WAYBILL NUMBER	INVOICE NUMBER	DESTINATION
1, 4	10114194	optical sighting devices for firearms	083-7653-63 16	32522	South Africa
2, 5	12/02/94	optical sighting devices for firearms	083-7653-668 1	33403	South Africa
3, 6	01/05/95	optical sighting devices for firearms	083-76536902	34011	South Africa
7, 8	09/03/98	optical sighting devices for firearms	75 198546	59864	Argentina

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:
September 29, 2000
www.bxa.doc.gov

Contacts: Steven Jacques
Eugene Cottilli
(202) 482-272 1
(202) 482-242 1 (fax)

MICHIGAN FIRM SETTLES CHARGES OF ILLEGAL EXPORT

Washington - The Department of Commerce's Bureau of Export Administration (BXA) today imposed a \$64,000 civil penalty on Trijicon, Inc., a Michigan company, to settle allegations that it illegally exported U.S.- origin optical sighting devices for firearms, F. Amanda DeBusk, Assistant Secretary for Export Enforcement, announced.

BXA alleged that on four separate occasions between 1994 and 1998 Trijicon, Inc., exported U.S. - origin optical sighting devices for firearms from the United States to Argentina and South Africa without the licenses that it knew were required by the Export Administration Regulations. While neither admitting nor denying the allegations, Trijicon, Inc. agreed to settle the allegations.

Special agents from Commerce's Chicago Office of Export Enforcement investigated the case. A portion of the fine, \$19,500, has been suspended for one year.

The Department of Commerce, through its Bureau of Export Administration, administers and enforces export controls for reasons of national security, foreign policy, nonproliferation and short supply. Criminal penalties, as well as administrative sanctions, can be imposed for violations of the regulations.